



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1721 (1962)

February 2, 1988

SUBJECT: Servicing ASCS Dairy Termination Program Borrowers

TO: All FmHA State Directors

PURPOSE/INTENDED OUTCOME

The purpose of this AN is to emphasize the need to develop realistic, current and long range farm plans and improve collections from borrowers enrolled in the Dairy Termination Program (DTP).

COMPARISON WITH PREVIOUS AN

This AN replaces AN No. 1348 (1962), dated February 28, 1986, and AN No. 1419 (1962), dated May 29, 1986, both of which expired on August 31, 1986.

IMPLEMENTATION RESPONSIBILITIES

It is necessary that the finances of all FmHA borrowers, who have enrolled in the DTP, be analyzed and plans prepared to reveal potential repayment problems, or the possibility of graduation. County Supervisors are also responsible for making maximum collection of the FmHA debt by utilizing all available tools, including the assignment of DTP payments.

In order to accomplish this, the following will be obtained from borrowers enrolled in the DTP program:

A. Real Estate borrowers.

1. Borrowers' actual historical, financial and production records.
2. Current Farm and Home Plan.
3. Farm and Home Plan for the year following the expiration of the DTP contract.
4. Long-Time Farm and Home Plan, Form FmHA 431-1, to indicate the borrowers' plans, upon expiration of the DTP contract.

EXPIRATION DATE:
January 31, 1989

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1962-A



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

1721(1962)


B. Chattel borrowers.

1. Items A-1 through A-4, above.
2. Completed Form FmHA 1962-1, accounting for the sale of all chattel security and the DTP income.

The information obtained will be reviewed and analyzed to determine repayment ability, identify potential repayment problems, or the possibility of graduation. Failure by a current Real Estate borrower to provide the requested information will result in the account being reviewed for graduation.

The County Supervisor will attempt to obtain an assignment of future DTP payments, from the borrower, through ASCS, if necessary, to assure repayment of the FmHA debt. In addition, whether or not an assignment is taken, the County Supervisor will make a well documented effort to obtain a Financing Statement and Security Agreement for chattel borrowers, which include the DTP payments.

The case files of all borrowers enrolled in the DTP will be reviewed by District Directors during their routine visits to the County Offices, to ascertain that the intent of this AN is being met. District Directors will make reports, by memorandum, to their State Office, of any problems noted in their reviews. State Directors will, in turn, notify the National Office of any problems that the State Office cannot resolve.



VANCE L. CLARK
Administrator

Sent via electronic mail on Feb. 5 at 9:18 am by ASD/IMPS. The State Director should advise other personnel as appropriate.